



STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC UTILITY CONTROL

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September 21, 2001

Magalie Roman Salas
Commission Secretary
Federal Communications Commission
Portals II
445 12th Street, S.W.
Suite TW-B204F
Washington, D.C. 20554

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SEP 21 2001

FCC MAIL ROOM

Re: WT Docket No. 01-184/Verizon Wireless' Petition Pursuant to 47 U.S.C.
§160 For Partial Forbearance from the Commercial Mobile Radio Services
Number Portability Obligation

Dear Ms. Salas:

Enclosed please find the Connecticut Department of Public Utility Control's
comments filed in the above noted proceeding.

Sincerely,

DEPARTMENT OF PUBLIC UTILITY CONTROL

Louise E. Rickard

Louise Rickard
Acting Executive Secretary

Enc.

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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In the Matter of)	
)	
Verizon Wireless' Petition Pursuant)	WT Docket No. 01-184
To 47 U.S.C. §160 for Partial)	
Forbearance From The)	
Commercial Mobile Radio Services Number)	
Portability Obligation)	

COMMENTS OF THE CONNECTICUT
DEPARTMENT OF PUBLIC UTILITY CONTROL

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COMMENTS OF THE CONNECTICUT
DEPARTMENT OF PUBLIC UTILITY CONTROL

I. INTRODUCTION AND SUMMARY

The Connecticut Department of Public Utility Control (CTDPUC) hereby files comments with the Federal Communications Commission (FCC or Commission) in response to the August 7, 2001 Public Notice (PN) issued in the above noted proceeding. In its petition, Verizon Wireless (Verizon) seeks partial forbearance from the FCC rules that require Commercial Mobile Radio Services' (CMRS) carriers to provide local number portability (LNP) capability. According to the Petition, Verizon seeks relief only from the LNP obligation and not from the requirement that CMRS carriers participate in number pooling. Petition, p. 1. For the reasons discussed below, CTDPUC strongly opposes approval of the Verizon Petition (Petition) and recommends that it be denied by the Commission.

II. DISCUSSION

CTDPUC opposes approval of the Petition because competition in the telecommunications market will not be served by further forbearance of this

requirement. Verizon claims that Congress imposed number portability obligations only on local exchange companies (LEC) in order to promote landline telephone competition because some landline customers would be discouraged from subscribing to new landline entrants if they had to change their telephone numbers. Verizon also states that the Telecommunications Act of 1996 (Telcom Act) was only attempting to bring competition to a telecommunications market that had little competition. Petition, pp. 15 and 16. The CMRS industry is a part of that market and approval of the Petition, in the opinion of CTDPU, would be anticompetitive and contrary to the public interest. CTDPU believes that for the same reasons that LNP was required in the wireline industry (i.e., to remove what was considered by some competitive LECs as a barrier to subscription to their services by prospective subscribers), approval of the Petition would not provide relief to those wireline customers unwilling to subscribe to CMRS service offerings because they would be required to change their telephone numbers. Moreover, as discussed below, CTDPU sees little difference in "a telecommunications market that had little competition," immediately following the passage of the Telcom Act and the level of local competition present in Connecticut today.

Although Verizon may be somewhat correct that the CMRS market is currently highly competitive, its statement that CMRS LNP is not necessary to promote competition between wireline and wireless providers is absolutely ridiculous. Id., pp. 16, 19. CTDPU submits that based on its experience in

promoting local competition in the Connecticut marketplace, direct competition from wireless providers should provide the necessary stimulus to "jump start" competition in the local market for residential consumers that the Congress, FCC and states have been seeking since passage of the Telcom Act.

Clearly, all issues, terms and conditions that are necessary for competition between wireline and wireless providers were addressed by the states several years ago through the development and approval of state interconnection tariffs. In addition, CTDPUK is aware of the Commission's recent efforts to address interconnection issues as evidenced by its Notice of Proposed Rulemaking in the Matter of Developing a Unified Intercarrier Compensation Regime, in CC Docket No. 01-92 released on April 27, 2001 (NPRM), wherein the FCC indicated its intent to begin a fundamental reexamination of all currently regulated forms of intercarrier compensation and the rules it should adopt to govern LEC interconnection arrangements with CMRS providers. NPRM, ¶¶1, 90. CTDPUK is of the opinion that once that rulemaking proceeding is completed, competition between the two industries for customers in the local service market will most likely be enhanced.

While competition in the wireless market between CMRS providers has increased following the passage of the Telcom Act, CTDPUK notes that it has been struggling with the unbundling of the incumbent LECs' networks in order to promote competition in the local market. CTDPUK concurs that competition in the wireless market has accelerated as the number of CMRS providers have also

increased (most notably by the entry of personal communications service providers in the market) while the rates and charges for these services have decreased. CTDPUc also notes that according to the FCC's Wireless Telecommunications Bureau, the price per minute of cellular use has decreased by 64% between 1993 and 2000, while the average local monthly telephone bill has only decreased by 26.4% for the same period. (See the FCC Sixth Annual CMRS Competition Report to Congress, Thomas J. Sugrue Opening Remarks, pp. 5 and 6.) Meanwhile, since passage of the Telcom Act, in all but a few states, local competition for residential customers has been non-existent.

CTDPUC acknowledges that local competition for residential customers does exist in those cases where the local cable television (CATV) operators and other facilities-based providers have constructed facilities to offer telephone services. However, the number of these providers are few and far between as is competition for residential local exchange customers. In addition, it has been CTDPUc's experience that the current local exchange service resale structure and offering of unbundled network elements (UNE) and UNE-platform by the incumbent LECs has been unsuccessful in luring carriers to the Connecticut local exchange service marketplace. It has also become clear to CTDPUc that in order for viable competition to develop in the local market, local exchange service offerings must be provided by facilities-based carriers. This is clearly illustrated by the fact that only CATV operators have made competitive inroads

into the residential local exchange market in Connecticut.¹ CTDPUC believes that the CMRS industry also possesses and has in place the necessary facilities to offer a competitive alternative to the LEC's local exchange service offerings.

CTDPUC further notes that the FCC's data on local telephone competition, as of December 2000, indicates that 11.7% of the nation's households have access to three competitive local exchange carriers. FCC Common Carrier Bureau, Local Telephone Competition: Status of December 31, 2000, Table, 11. This compares to 91% of the United States population that has access to three or more different wireless providers. Similarly, 75% of the population can choose between five or more CMRS operators while 47% of the population have access to six different providers. FCC Sixth Annual CMRS Competition Report to Congress, Thomas J. Sugrue Opening Remarks, p. 4. Based on this data, there appears to be an ample number of CMRS providers that could offer residential customers an alternative to traditional incumbent and competitive LEC local service offerings.

Moreover, wireless carriers have begun offering service plans that appear to have been designed to compete directly with wireline local telephone service. See for example, FCC Sixth Annual CMRS Competition Report to Congress, Thomas J. Sugrue Opening Remarks, exhibit entitled "Wireline Substitution in the

¹ Although over 138 competitive LECs have been certificated to offer local exchange service in Connecticut, only some of the telephony affiliates of the state's CATV operators have been actively marketing and providing a competitive local exchange service offering to residential telephone subscribers.

Wiener-Goldstein Household,"² wherein the total monthly cost for various telephone services provided over a local exchange line of \$47.29 was compared to the total monthly cost of \$38.84 for a cellular telephone number offering comparable functions and features. CTDPUC acknowledges that this exhibit was intended to provide a comparison of the industries' service offerings for purposes of substituting a third LEC access line with a wireless telephone number. Nevertheless, CTDPUC believes that with the current cellular service pricing structure, it is only a matter of time before customers realize the true economic value of wireless service and move from traditional wireline local exchange service to that offered by CMRS providers. CTDPUC submits that the ability to port one's telephone number will be yet another incentive for wireline subscribers to move from their existing carriers to wireless providers.

CTDPUC also has similar evidence. As Attachment 1 indicates, wireless providers in Connecticut appear to be competing with incumbent and competitive LECs by offering comparable telephone service packages that are considerably less than those of existing wireline service providers. Because the construction of wireless service facilities has all but been completed in Connecticut, and with the increased number of CMRS carriers currently offering telephone service packages, competition between the two telecommunications industries will be further enhanced as a greater number of wireless carriers offer similar or lower priced service plans that compete directly with the LECs.

² Page 10.

CTDPUC questions then, what is the difference to the consumer as to how service is ultimately provided? That is, shouldn't these customers be afforded the same opportunities (i.e., number porting) that subscribers to new wireline service entrants experienced following passage of the Telcom Act? Similarly, if the purpose of LNP was to address consumer reluctance from subscribing to new entrants if forced to change their telephone numbers, what difference does it make if "dial tone" is provided from a wireline or wireless source? CTDPUC maintains that the ability to port telephone numbers should be available to all end users regardless of the source of "dial tone."

As wireless service rates and charges decrease to, or below that of comparable wireline local exchange service prices, approval of the Petition would remove a barrier to local residential competition previously removed from the wireline industry. CTDPUC believes that if the Petition is approved, the LNP barrier would be anticompetitive and contrary to the Commission and state efforts to bring competition to the residential local exchange service market. CTDPUC also believes that wireless service offered by the CMRS carriers appears, at the present time, to provide the greatest opportunity for competitive alternatives to residential customers. Therefore, all CMRS LNP requirements should remain in place if the objectives of the Telcom Act, the FCC and the states are to be achieved.

III. CONCLUSION

Competition in the wireless market is growing rapidly. Some CMRS providers are now competing directly with wireline providers for residential local exchange customers. It is only a matter of time before all wireless providers offer and actively market service plans that compete directly with traditional wireline local exchange service offerings. While Verizon argues that competition between CMRS providers and wireless service providers and the wireline industry has occurred without LNP, CTDPUc submits that with the LNP-capability for porting telephone numbers, local exchange service competition in the residential market will be further enhanced as a greater number of CMRS carriers have one less barrier when competing with the incumbent and competitive LECs. Therefore, it is imperative that the wireless carriers be required to port telephone numbers and

further stimulate competition at the local exchange service level for residential consumers. Accordingly, CTDPUC recommends that the Commission deny the Petition because it is contrary to the Telcom Act, FCC and state decisions and clearly is not in the public interest.

Respectfully submitted,

CONNECTICUT DEPARTMENT OF PUBLIC
UTILITY CONTROL

Donald W. Downes
Chairman

Glenn Arthur
Vice-Chairman

Jack R. Goldberg
Commissioner

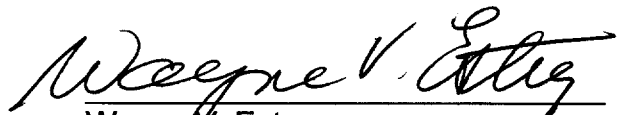
John W. Betkoski, III
Commissioner

Linda J. Kelly
Commissioner

September 21, 2001

Connecticut Department of
Public Utility Control
Ten Franklin Square
New Britain, CT 06051

CERTIFICATION



Wayne W. Estey
Commissioner of the Superior Court

Attachment 1

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